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Attorneys for Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
☒ Affects Pacific Gas and Electric Company
☐ Affects both Debtors

** All papers shall be filed in the lead case,
No. 19-30088 (DM)*

Bankruptcy Case
No. 19-30088 (DM)

Chapter 11
(Lead Case)
(Jointly Administered)

**STIPULATION BETWEEN PACIFIC GAS
AND ELECTRIC COMPANY AND JOHN
LEE CLARK FOR LIMITED RELIEF
FROM AUTOMATIC STAY**

Related to Dkt No. 7964-65

Resolving Motion set for Hearing on July 7,
2020 at 10:00 am PT

1 This stipulation (“**Stipulation**”) is entered into by Pacific Gas and Electric Company (the
2 “**Utility**”), as a debtor and debtor in possession in the above captioned cases (the “**Chapter 11**
3 **Cases**”), on the one hand, and John Lee Clark (“**Clark**”), on the other hand. The Debtors and
4 Clark are referred to in this Stipulation collectively as the “**Parties**,” and each as a “**Party**.” The
5 Parties hereby stipulate and agree as follows:

6 **RECITALS**

7 A. On July 10, 2018, Clark commenced a civil action against the Utility and Does 1-
8 25, in the Superior Court of the State of California, County of San Francisco (the “**State**
9 **Court**”), styled as *Clark v. Pacific Gas and Electric Company et al.*, Case No. CGC-18-567964
10 (the “**State Court Action**”), in order to pursue alleged claims against the Utility arising out of an
11 explosion and fire that occurred on January 12, 2017, at real property located on 2209 South
12 George Washington Boulevard in Yuba City, California (the “**Claims**”).

13 B. The Utility, along with PG&E Corporation (“**PG&E Corp.**,” and together with
14 the Utility, the “**Debtors**”), filed these Chapter 11 Cases on January 29, 2019 (the “**Petition**
15 **Date**”).

16 C. Since the Petition Date, and pursuant to section 362(a) of the title 11 of the United
17 States Code (the “**Bankruptcy Code**”), the State Court Action has been stayed against the
18 Utility.

19 D. On October 15, 2019, Clark filed Proof of Claim No. 57306 against the Utility on
20 account of the Claims set forth in the State Court Action (the “**Proof of Claim**”).

21 E. On June 15, 2020, Clark filed the *Motion for Relief from Stay to Permit the*
22 *Courts of the State of California to Conduct a Jury Trial and Related Pretrial and Post Trial*
23 *Matters in Connection with Creditor, John Lee Clark’s Complaint for Damages, or in the*
24 *Alternative, for Abstention* [Dkt. No. 7964] (the “**Motion**”). The Motion seeks relief from the
25 automatic stay to permit Clark to resume prosecuting the State Court Action against the Utility.
26 The Motion is currently set for hearing (the “**Hearing**”) before the Bankruptcy Court on July 7,
27 2020. *See* Dkt. No. 7965.
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1 F. On June 20, 2020, the Bankruptcy Court entered an order confirming the *Debtors'*
2 *and Shareholder Proponents' Joint Chapter 11 Plan of Reorganization dated June 19, 2020* (as
3 may be modified, amended, or supplemented from time to time, and together with any exhibits or
4 schedules thereto, the "**Plan**").

5 G. The Utility believes that the terms set forth herein represent a fair and reasonable
6 resolution of the Motion and that, in view of the benefit to their estates from this Stipulation, it is
7 in the best interest of their estates to avoid the burden and cost that would be associated with
8 opposing the Motion.

9 H. The Parties thus agree that, pursuant to section 362(d) of the Bankruptcy Code, it
10 is appropriate to modify the automatic stay for the limited purposes described herein.

11 **NOW, THEREFORE, IT HEREBY IS STIPULATED AND AGREED BY AND**
12 **BETWEEN THE PARTIES, THROUGH THE UNDERSIGNED, AND THE PARTIES**
JOINTLY REQUEST THE COURT TO ORDER, THAT:

13 1. This Stipulation shall be effective as of the date of entry of an order by the Court
14 approving it (the "**Effective Date**").

15 2. Upon the Effective Date, the Parties shall engage in mutual good faith efforts to
16 schedule a mediation with respect to the Claims that are the subject of the State Court Action and
17 the Proof of Claim (the "**Mediation**"), to occur within 60-90 days of the Effective Date, with the
18 understanding that the Parties will be unable to fully control the timing of the Mediation and that
19 such timing may be delayed for reasons outside of their control.

20 3. Not less than thirty (30) days prior to the first scheduled date of the
21 commencement of the Mediation, Clark shall provide the Utility with the following information:
22 (a) a summary of all claimed damages by category; (b) a complete set of medical records; (c) any
23 support for claimed lost wages or other elements of claimed damages; and (d) a specific
24 monetary demand.

25 4. Upon the Effective Date, the automatic stay (or Plan injunction, as applicable)
26 shall be modified, to the extent necessary and with waiver of any stay under Federal Rule of
27
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1 Bankruptcy Procedure 4001(a)(3), solely to permit the Parties to engage in the settlement and
2 mediation activities described in paragraphs 2 and 3 above.

3 5. In the event that, after the Parties have engaged in mutual good faith efforts to settle
4 the Claims that are the subject of the State Court Action and the Proof of Claim, the Mediation fails
5 to result in such settlement of all such claims, the automatic stay (or Plan injunction, as applicable)
6 shall be modified, with waiver of any stay under Federal Rule of Bankruptcy Procedure 4001(a)(3),
7 without further order of the Court and effective as of the date of written notice (including by email to
8 counsel in the State Court Action) by Clark no earlier than five (5) days after the Mediation that the
9 Mediation has failed, to permit Clark to prosecute any unresolved Claims that are the subject of
10 the State Court Action through final judgment and any appeals thereof in order to liquidate the
11 Claims that are asserted therein, but not to permit enforcement of any such judgment, which
12 Clark shall recover solely through the Plan and the claims reconciliation process in these Chapter
13 11 Cases.

14 6. Upon the Effective Date, the Motion shall be deemed withdrawn and the Hearing
15 vacated.

16 7. Nothing herein is intended to, nor shall it be construed to be, a waiver by the
17 Utility or Clark of any claims, defenses, or arguments with respect to Claims that are the subject
18 of the State Court Action and the Proof of Claim.

19 8. In the event that the terms of this Stipulation are not approved by the Court, it
20 shall be null and void and have no force or effect and the Parties agree that, in such
21 circumstances, this Stipulation shall be of no evidentiary value whatsoever in any proceedings.

22 9. This Stipulation shall constitute the entire agreement and understanding of the
23 Parties relating to the subject matter hereof and supersede all prior agreements and
24 understandings relating to the subject matter hereof.

25 10. The Court shall retain jurisdiction to resolve any disputes or controversies arising
26 from this Stipulation or any order approving it.

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Dated: June 30, 2020

WEIL, GOTSHAL & MANGES LLP
KELLER BENVENUTTI KIM LLP

/s/ Peter J. Benvenutti

Peter J. Benvenutti

*Attorneys for Debtors
and Debtors in Possession*

Dated: June 30, 2020

DOWNEY BRAND LLP

/s/

Jamie P. Dreher

Attorneys for John Lee Clark